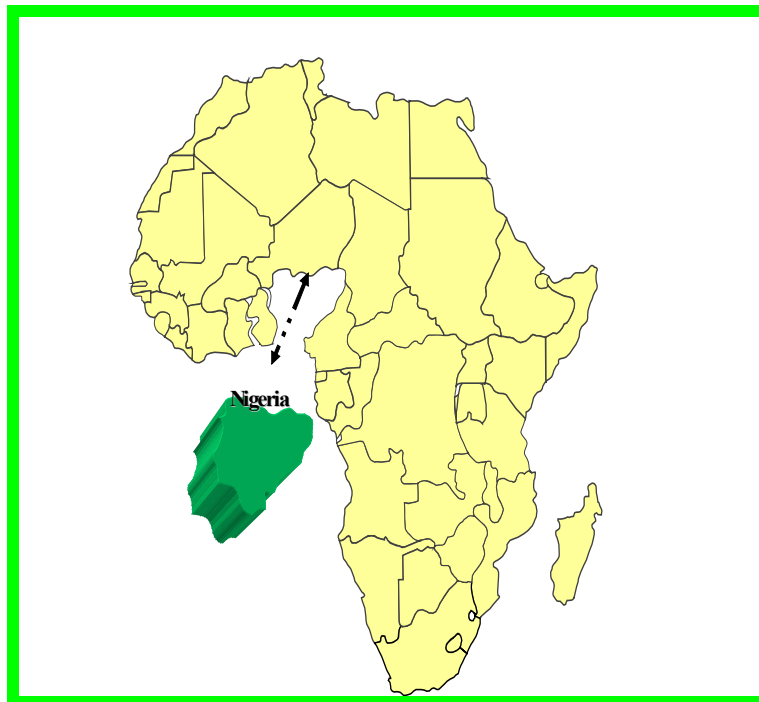




USAID/Nigeria Stakeholders Consultation

TECHNICAL AND LOGISTICAL REPORTS



USAID IN PARTNERSHIP WITH NIGERIA

NEW FIVE-YEAR STRATEGY DEVELOPMENT
FY 2004 – FY 2009

14 APRIL 2003
SHERATON - ABUJA

USAID NIGERIA

**STAKEHOLDERS CONSULTATION
ON
AGRICULTURE, ENVIRONMENT AND PRIVATE
SECTOR GROWTH**

HELD AT
SHERATON HOTEL
ABUJA – NIGERIA

TUESDAY APRIL 14, 2003

TECHNICAL REPORT

Prepared by
DICKSON E. ATSENUWA, RAPPORTEUR

LOGISTICAL REPORT

Prepared by
WILMA NWANZE, EVENTS MANAGER

TABLE OF CONTENTS

	<u>Page</u>
TECHNICAL REPORT.....	1-10
LOGISTICAL REPORT	11-12

Annexures:

- I List of Participants
- II Presentations
 - A. USAID/Nigeria Country Strategy Development Process
 - B. USAID Strategic Focus in Agriculture, Environment and Private Sector Growth
 - C. Non-Oil Private Investment Roadmap
 - D. USAID Agriculture Strategy
 - E. Microfinance Development
 - F. Environmental Analysis Report

(Note 1: Concept Paper and Performance Narrative distributed prior to all Consultations.)
 (Note 2: Investors' Roadmap (Executive Summary) distributed)

Appendices

- A1 Invitation Letter
- A2 Agenda
- A3 Registration Form

**USAID/NIGERIA STAKEHOLDERS CONSULTATION
TECHNICAL REPORT FOR APRIL 14, 2003 - ABUJA
Prepared by Dickson E. Atsenuwa**

I. OPENING AND WELCOME

This consultative forum of USAID Nigeria Stakeholders held at the Sheraton Hotel Abuja, Nigeria was the third in the series and focused on agriculture, environment and private sector growth. In opening the meeting, Sharon Pauling, Senior Civil Society Adviser, USAID Washington informed participants that the objective of the meeting is to discuss the strategy development process, concept paper and strategic approaches to sector interventions by USAID for the purpose of developing a new 5-year strategy program for Nigeria. The meeting, she added, would also undertake an overview of processes currently undertaken by USAID as well as a review of sectoral assessment and development problems. The 41 participants in attendance were drawn from the academia/research institute, private sector, government ministries and parastatals, and US government and USAID¹. The methodology entailed presentations by USAID Program Staff and Small Group discussions by participants with emphasis on identifying synergy and linkages between economic growth and the other areas of engagement by USAID.

II. PRESENTATIONS

There were a number of presentations², which provided the basis for discussions in the plenary and small groups. Dawn Liberi, Mission Director for Nigeria presented an overview of the overall strategy development process while Dr. Ravi Aulakh, Chief Economist, Office of Agriculture and Economic Growth presented USAID'S strategic focus on agriculture, environment and private sector growth in Nigeria. Relying on available data, she painted a grim situation of the Nigerian economy. She noted however, that the new strategy to be pursued by USAID is guided by the notion that USAID/Nigeria will build on its experience and success in the agricultural and economic growth sectors, but with a greater emphasis on increasing agricultural growth and expanding economic opportunities, particularly in the rural sector.

There were five presentations by USAID program staff on sectoral assessments in the following areas: Economic Growth Portfolio by Thomas Hutcheson, Macro Economist; Agriculture Status Report – Small and Medium Enterprises Sector Issues by Andrew Levin, Agriculture Sector Adviser; Environmental Analysis Report by Nduka Okaro, Performance Monitoring Specialist; Non-Oil Foreign Investment Roadmap by Thomas Hutcheson; and Micro-finance Development by Andrew Levin.

Observations, Questions and Clarifications

At the end of the presentations, participants contributed to the discussions through the following questions and observations

- (i) Are small-scale farmers given serious consideration in the poverty alleviation program of USAID?

¹ List of participants is attached as Annexure I, prepared by Wilma Nwanze

² Details of presentations are attached as Annexure II A - E

- (ii) To what extent does USAID regard in-put from other stakeholders, e.g. other donors, and collaborate with them in development programming for Nigeria?
- (iii) Is there synergy between USAID and global initiatives such as NEPAD and AGOA?
- (iii) Does the fact that gender is treated as one of the cross-cutting themes in the Strategic Plan translate into women being actually given prominence in program implementation?
- (iv) How can Nigeria be assisted to develop an agricultural program that will return her to the former enviable position, especially in terms of infrastructure that have become moribund?
- (v) What is the place of rural development and infrastructure in USAID's agricultural program as this is not captured in the concept paper?
- (vi) When will the US stop punishing Nigeria for belonging to OPEC as is now reflected in the decreasing allocation of funds?

In response, Sharon Pauling disabused the minds of participants on the issue of decreasing allocation as punishment by the US government as she noted that Nigeria remains the largest USAID project in Sub-Saharan Africa. She maintained that the reduction is not limited to Nigeria, but a reflection of the new contending issues that are global in nature, like the HIV/AIDS scourge.

On the issue of synergy between the USAID Strategic Development Process and initiatives such as NEPAD and AGOA, Dawn Liberi noted that ensuring that USAID country goals in Africa fit into NEPAD goals and strategy is one of the directives issued by Washington and added that this process clearly demonstrates the significant place USAID accords stakeholder in-puts in its development planning and programming, noting that other donors are included in this group. She added further that a series of studies have been undertaken to clarify how the agriculture sector can best benefit from AGOA and the findings are available. Noting that rural farmers constitute over 70% of those in farming and account for 30% of the GDP, Dawn Liberi admitted that the role of farmers in the rural areas cannot be over-emphasized. She stated that rural farmers are priority target groups under the Strategy and assured also that more than lip-service will be paid to women's involvement in agricultural development and indeed all of USAID's projects given the clear demonstration that returns on investments targeting women are usually higher.

On the resuscitation and development of infrastructure, Ravi Aulakh drew the attention to USAID's involvement in leveraging more resources for the BPE privatization exercise, assisting the NIPC to develop the Investors Road Map and make its processes more transparent and more efficient to the end of attracting both local and foreign investment and employment creation as well as the mission's involvement in the revitalization of NEPA.

Participants further urged USAID to give attention to education and enlightenment necessary to achieve a change of attitude in policymakers, communities and other stakeholders for a more efficient performance in the implementation of programs; provide more assistance to facilitate information dissemination of innovations being made in the rural areas, especially as they are usually cheaper and more capable of enhancing the quality of the environment.

While USAID was called upon to assist to leverage more resources from other US agencies and programs such as the DPA and military assistance programs as well as the private sector in the US, it was also requested to address issues such as trade imbalance and the government subsidies on agricultural products which has the effect of crippling Nigeria's agricultural growth. Specifically, USAID assistance is sought to secure co-financing, one of the conditionality for funding by GFDs for such projects as the FADAMA II project.

Participants noted also that aid provided to Nigeria by USAID and other donors will always be temporal and inadequate; hence what is required is more effort in the direction of capacity development to ensure sustainability. In this regard, the importance of entrenching good governance values and practices was emphasized. USAID staff noted that good governance values such as transparency and accountability are intrinsically part of USAID activities and processes and they have also been concerned to promote the institutionalization of good governance in Nigeria. This is demonstrated in the on-going assistance on the budgeting process and the support being provided to the ICPC.

III. INTER-SECTORAL DISCUSSION GROUPS SESSION I

Participants broke into three groups to discuss and adopt recommendations on the sector assessments, taking into account USAID's stated objectives, available resources and comparative advantage.

Group 1

This group examined economic growth portfolio assessment and the non-oil foreign investment roadmap, guided by a set of seven questions.

Summary of Group Report

The group noted that though the USAID program in Nigeria had in fact sought to address problems plaguing Nigeria, there are some areas of gap. These are the lack of collaboration with the private sector and legislature as well as the absence of export promotion in the USAID Strategy. Also, the following has encumbered USAID work in Nigeria:

- ❑ Lack of political will
- ❑ Lack of coordination among the donor community
- ❑ Absence of streamlined programs
- ❑ Fragmented management
- ❑ High cost of foreign consultants
- ❑ Poor management of local consultants
- ❑ Lack of openness and competitiveness in the procedure for engagement of consultants

The country's democratization as well as the presence of free enterprise and the free flow of communication has conduced to providing USAID with a favorable working environment. While USAID has demonstrated strength in its ability to accumulate international enterprise and skills; identify problems; generate financial resources to run its programs and develop monitoring systems and follow up, it weakness include insufficient funds; inefficient use of consultants, limited support to implementing agencies, and poor geographic spread of projects.

The group presented the following **recommendations**:

- ❑ Target the “core” poor. *Even though poverty has been taken into account in USAID programs, the rural poor have not been the beneficiaries of these for failure to make them the target group.*
- ❑ Work more with the private sector, NGOs and Legislature.
- ❑ Improve selection and engagement process of consultants’ to ensure maximum benefit is derived from consultancy services.
- ❑ Follow through implementation after planning and studies.
- ❑ Integration of program management into National Strategy.

Observations and Clarifications

Ravi Aulakh explained that consultants and contractors to USAID were usually taken through a competitive engagement process though there have been cases of delayed completion of jobs. Participants advised that stakeholders should be consulted for their advice on the choice of consultants.

On the road map to foreign investment, participants were of the view that this should be developed as part of a national strategy so that all stakeholder interventions can be undertaken in the context of the strategy.

Group 2

Group 2 reviewed the agriculture status report and small and medium enterprise sector issues and found also that USAID programs have tried to address the right problems. However, this has not translated to significant and visible change in what is on the ground as demonstrated by the increasing poverty of rural farmers. Some problems in this regard include increasing desertification, lack of political will on the part of government to develop agriculture and facilitate the private sector involvement in agriculture, low level of support from private sector in terms of investment.

Identifiable USAID strengths include financial and technical capabilities while weakness are evident in the limited geographic spread, short-term nature of projects as well as lack of sustainability of projects. In spite of these, there was noticeable success in the area of micro enterprise development and crop production with most programs and projects being needs based, well focused and well executed.

Group 2 presented the following recommendations to the plenary.

- Programs should be both gender and youth sensitive and responsive.
- Attention should be given to appropriate technology for small and medium scale farmers and market development.
- Programs should be focused on private sector development and investment to ensure continuity after USAID’s departure or withdrawal.
- Sustainability should be a major consideration in project design.
- Strengthening of private sector micro-finance institutions in terms of management and resources.

Other recommendations include that USAID activities in the agriculture sector should be aimed at market development to reduce wastages.

Observations and Clarification

Participants in the Plenary reiterated that private sector involvement in projects would ensure the development of the sector as well as continuity of projects because of the need to protect their investments in such projects. Participants emphasized that government's role should be that of facilitator only - providing an enabling environment. It should not be involved, for example, in the purchase and sales of fertilizer, seeds etc.

Participants added that USAID could assist in this regard through the inclusion of the private sector in the pilot projects it already has in place, e.g. seedling development.

Group 3:

Group 3 discussed environmental analysis. While it found that USAID has been able to address the right problems, it noted that there is need for more focus. Its current effort to integrate environmental issues into existing portfolio is still beleaguered by weak capacity given the absence of an in-house environmental specialist. The enormity of the problems calls for greater USAID involvement financially, technically and managerially. The problems also dictate the involvement and empowerment of private sector especially in forestry management, biodiversity and conservation.

The Group presented the following recommendations to the plenary.

- ❑ Support capacity building for environmental institutions and programs.
- ❑ Expand partnership with major stakeholders on oil pollution prevention programs, particularly multinationals (oil & gas companies), CBOs, NGOs, civil society organizations.
- ❑ USAID should leverage more resources for environmental problems.
- ❑ Increased private sector involvement and empowerment in forestry management and biodiversity conservation.

The group proffered the following suggestions for inter-sectoral approach

Education:

- Integrate environmental education into school curriculum and for public awareness programs.

Health:

- Increased attention to environmental health by addressing air and water pollution, water borne diseases etc.

Institutions:

- Reform of environmental institutions and good governance.

Observations and Clarifications

Andrew Levin, Agriculture Sector Adviser whose desk also covers environmental issues and Sharon Pauling doubted the wisdom of engaging an environmental specialist given the limited resources available to the mission. At this point, Sharon reminded participants that there is the need to make critical choices and to think strategically about how to maximize the limited resources available, emphasizing that this series of consultation aims at identifying areas of synergy.

KEY RECOMMENDATIONS

At the end of the plenary consideration of the three Group Reports, the following key recommendations were identified.

- ❑ Foster and promote Private Sector involvement and participation in USAID's programs.
- ❑ Increase and ensure focus on the beneficiaries of projects and initiatives through project life.
- ❑ Promote capacity building of NGOs, government institutions and stakeholders generally to ensure program sustainability and develop local capacity.
- ❑ Broaden USAID intervention and involvement in rural development.
- ❑ Take all necessary steps to ensure sustainability of programs/projects initiated.
- ❑ Engage in, and support advocacy for policy reforms towards the development of a cohesive national strategy.

IV. INTERSECTORAL DISCUSSION GROUPS SESSION II

Participants broke up into four (4) groups to look and proffer suggestions on Proposed Objectives and Results; Inter and intra-Sectoral Linkage and Synergy; Integrating Crosscutting Themes and Public-Private Alliances

Group A was tasked with reviewing and providing in-put to the *Proposed Objectives And Results*. The group discussed the role of USAID in improving the status of agriculture, the environment, and private sector growth in Nigeria taking into account the development hypothesis, the proposed results framework, available resources and USAID's comparative advantage. The group, which was requested to come up with 5 top recommendations, proffered the following having identified five key objectives:

- **Enhance production and productivity**
 - Build the network of private input suppliers,
 - Coordinate the efforts of research centers,
 - Build capacity and develop technology
- **Environmental sustainability**
 - Promote tree crop production that protects the environment;
 - Educate farmers on crop rotation, biodiversity, conservation, soil fertility enhancement, and erosion control;
 - Develop a non-timber forest industry
- **Macroeconomic Reform and Private Sector Policy Environment**
 - Create an investment climate (both local and foreign) that is conducive to growth.
- **Expand range of financial services to the private sector**
 - Promote downstream, micro-enterprise development especially in the rural areas and upstream services such as financial markets.
- **Commercialization**
 - Improve domestic and export market opportunities,
 - Add value to local produce
 - Decrease post harvest losses.

Group B was tasked with reviewing and providing in-put to *Intra and Inter Sectoral Linkage and Synergy* looking at the linkages and synergy within agriculture, environment and private sector growth and with other sectors in the USAID strategy, that is, health, education, HIV/AIDS, democratic participation and good governance. The group recommended as follows:

USAID should help in

- Promoting sustainable agricultural development.
- Establishing coordination mechanism(s) between the various sectors.
- Providing holistic approach on intra and inter sectoral management.
- Involving existing national institutions.
- Providing capacity building for the stakeholders in the three sectors.

Group C was tasked with reviewing and providing in-put in the area of *Cross – Cutting Themes such as Gender, Environment, Conflict, Food Security, HIV/AIDS and Policy Reform*. The group noted the following:

On Gender

- There is need to support the development of alternate energy for domestic use to reduce dependence on firewood and its negative consequences of forest depletion and emission of dangerous gases.
- There is need to target women, as a vulnerable group, in all programs and projects.

On Conflict

- Environmental degradation is implicated in conflicts as demonstrated by the Niger Delta conflicts as such USAID should
 - ❖ Support advocacy and initiate conflict mitigation programs.
 - ❖ Support the development of a well planned program for equitable management of natural resources to reduce conflicts
- There is need for a more effective administration of justice system

On Environment

- There is need to better protect proprietary interests in land through broader property rights.
- There is urgent need for public enlightenment on the shared roles and responsibilities of all stakeholders in land use and rights.

On Food Security

- There is need to improve agriculture technology for increased agricultural productivity without the negative consequences of environmental degradation.

On HIV/AIDS

- There is urgent need for broad based public enlightenment.

On Policy Reform & Civil Society

- There is need to review the legal framework and
- There is need to forge consensus building for reforms

The group proffered the following as key recommendations:

- Pursue women's empowerment for improved agricultural productivity through access to agricultural inputs.

- Initiate and support advocacy to achieve policy reforms in agriculture, including land tenure, and to achieve a better justice system for appropriate conflict resolution.
- Initiate and support post harvest management initiatives to enhance food security.
- Provide public enlightenment on property rights and pursue advocacy for better rights to enhance private sector involvement with the sector and to reduce conflict.
- Provide popular education on the environment to reduce/prevent environmental degradation.
- Ensure sustainability of micro-finance and target more women in the rural sector.

Group D was tasked with reviewing and providing in-put in the area of *Public/Private Partnerships*. The group noted that the private sector is the engine driver of development while the government's role should be limited to that of facilitator responsible for providing enabling environment through infrastructure and instituting appropriate regulatory framework. Private sector involvement brings with it, increased opportunity to demonstrate social responsibility and counterpart financial sourcing of projects and programs.

In addition, it recommended that concerted efforts should be made by USAID to -

- Target and partner with, and strengthen private sector organizations.
- Promote private –public partnerships in Nigeria.
- Facilitate networking and linkages of the Nigerian private sector with Nigerians in Diaspora and American private sector.
- Mainstream best practices in corporate social responsibility.
- Utilize its resources to leverage greater and additional resources from other governments, international companies and other donors.

Key Recommendations

The following came out as key recommendations from the reports of the four groups.

- ❑ Program formulation should be participatory, involving all stakeholders.
- ❑ Effect change in program delivery mechanism. In particular, promote programs delivery through the agency of the private sector and the legislature.
- ❑ Increase public-private sector dialogue to share ideas and mainstream best practices.
- ❑ Engage/Involve relevant national institutions in program planning and implementation.
- ❑ Provide technical assistance towards developing a national strategy for growth.
- ❑ Prioritize projects for optimal use of available funding to ensure high yield impact.
- ❑ Leverage of counterpart and additional funding for projects from all possible sources.

V. CONCLUDING REMARKS & CLOSING

Sharon Pauling and Ravi Aulakh in their closing remarks appreciated the presence and contributions of participants. The forum was brought to a close at 6pm.

**USAID/NIGERIA STAKEHOLDERS CONSULTATION
LOGISTICAL REPORT FOR APRIL 14, 2003 - ABUJA
Prepared by Wilma Nwanze**

USAID/Nigeria is in the process of developing a new five-year strategy for the period 2004-2009. Recognizing the crucial role of government, the private sector and civil society (CS) in sustaining the gains that Nigeria has made during the democratic transition, it is essential to USAID that its strategy development process involve a broad range of stakeholders from federal, state and local government, civil society, the private sector, implementing partners, other donors and other agencies in the U.S. government to help inform its strategic choices.

To this end, USAID contracted GENDYS International to assist in organizing seven (7) Stakeholder Consultations—four (4) to be held in Lagos and three (3) in Abuja as follows:

Lagos

- | | |
|---------|--|
| 4/8/03 | General Development Office – Local government authorities and civil society |
| 4/9/03 | General Development Office - donors and private sector |
| 4/24/03 | Democracy/Governance - mixed stakeholders (government, NGOs, CBOs, private sector, academia) |
| 5/8/03 | Agriculture/Economic Growth with mixed stakeholders |

Abuja

- | | |
|---------|---|
| 4/14/03 | Agriculture/Economic Growth - mixed stakeholders (technical staff from government, private sector, NGOs, farmer associations, donors) |
| 4/22/03 | General Development Office - Federal and State government |
| 4/29/03 | General Development Office - IPs, academics, think tanks, professional associations |

This Logistical Report covers the third in a series of seven Consultations. The contractor worked closely with the Stakeholder Specialist and appropriate Strategic Objective Team to manage the logistics of the Consultation which include the following:

Venue

The third Consultation was scheduled for Abuja. Three venues were considered—Chelsea Hotel, Nicon Noga Hilton and Sheraton Hotel. Sheraton Hotel was chosen and work began immediately to prepare for the Abuja Consultation. The Ladi Kwali Conference Centre was booked and all arrangements made. The space for the Consultation was adequate for the plenary session, the break-out groups and the group lunch. All services were good and executed promptly.

Invitations

The invitational packages were prepared and dispatched by either courier, hand delivery, or email, while follow-up was done by telephone and email, where available. All Abuja packages were carried by hand to Abuja and picked up by Gendys Staff and hand delivered to await instant responses. Below are the other details:

- Number of invitees on List - 40 with 14 USAID Staff
- Number of invitations sent by DHL - 7
- Number of invitations delivered by hand – 33
- Number of bad/no addresses – 5
- Number of bad/no telephone numbers – 9
- Number of incorrect name – 0
- Number of invitees that participated – 42

A copy of the invitation letter, agenda and registration form used are attached as Appendices A1-A3, while the final Participants List is attached as Annexure I.

Consultation Materials/Equipment

All Consultation materials (jackets, writing pads, pens (with USAID embossment), ID tags (designed with USAID Logo), flipcharts, markers, etc.) and equipment, including a multimedia projector, screen, computers, printer and photocopier were provided. An on-site office with adequate secretarial services was set up at the venue. The jackets included writing materials, a copy of the Agenda and a maintenance packet, while additional handouts provided by USAID were prepared in readiness for distribution during the Consultation. Copies of the Presentations are attached at the end of these Reports as Annexures IIA-IIF.

Per Diem/Transportation

All participants were local, therefore neither per diem nor transportation expenses was paid with the exception of the rapporteur and the event coordinator.

Rapporteur Services

The contractor arranged for rapporteur services for the production of the technical report.

Budget Reconciliation

Budgeted	-	N 686,750 (Gendys)
Actual	-	N 484,608
Difference	-	N 202,142

Details of the Cost Analysis presented to Accounts under separate cover.



USAID NIGERIA STAKEHOLDERS

CONSULTATION

Monday, April 14, 2003

Sheraton Hotel, Abuja

AGENDA

WELCOME	9:00	Dawn Liberi, Mission Director <ul style="list-style-type: none"> ▪ Greetings and Welcome ▪ Meeting Objective: to discuss the strategy development process, Concept Paper, and strategic approaches to sector interventions
STRATEGY DEVELOPMENT	9:10	Dawn Liberi <ul style="list-style-type: none"> ▪ Concept Paper Process Review ▪ Agency Initiatives ▪ Strategy Development Process ▪ Analytic Agenda ▪ Stakeholder Consultations
Q&A	9:20	
USAID STRATEGIC FOCUS IN AGRICULTURE, ENVIRONMENT AND PRIVATE SECTOR GROWTH	9:30	Dr. Ravi Aulakh , Chief Economist Office of Agriculture and Economic Growth
REVIEW AND DISCUSSION OF SECTORAL ASSESSMENTS	9:40	Economic Growth Portfolio Assessment – Non-Oil Foreign Investment Roadmap – Thomas Hutcheson , Macro Economist Agriculture Status Report – Small and Medium Enterprises Sector Issues – Andrew Levin , Agricultural Economist Environmental Analysis – Nduka Okaro , Perf. Monitoring Specialist
Q&A		
BREAK	11:00	BREAK
Intersectoral Discussion Groups	11:15	(1) Economic Growth Portfolio Assessment Non-Oil Foreign Investment Roadmap (2) Agriculture Status Report Small and Medium Enterprises Sector Issues (3) Environmental Analysis
GROUP REPORTS	12:15	
LUNCH	12:30	LUNCH

Intersectoral Discussion Groups**1:30**

- (A) Proposed Objectives and Results
- (B) Inter and Intra-Sectoral Linkage and Synergy
- (C) Integrating Cross-cutting Themes
- (D) Public-Private Alliances

GROUP REPORTS**2:45****CLOSING****4:00*****THANK YOU***